

1942/2A.

NEW SOUTH WALES.

BUSINESS STATISTICS - MONTHLY DIGEST.

4th February, 1942.

C O N T E N T S.

I Business Statistics - Monthly Digest.

II Notes on World Wheat Situation.

Production and Trade 1941-42 and forecast 1942-43.

Southern Hemisphere (Argentina, Australia, Sth. Rhodesia)

Northern Hemisphere (U.S.A., Canada, Europe).

Prices - Argentina, U.S.A., Canada, U. Kingdom, Australia.

PART I. BUSINESS STATISTICS - MONTHLY DIGEST.

GENERAL.

Internal conditions are dominated by the Japanese threat in the Pacific. Full mobilisation of labour is forecast by the new regulations for man-power control, gazetted on 31st Jan., 1942. A Director of Manpower, responsible to the Minister for Labour, has been appointed. It is intended that eventually National Service Offices will control all engagement of labour and exemptions from military service. The regulations provide for compulsory registration of all persons. All employment changes will be controlled. An appeal tribunal will be appointed, consisting of equal numbers of representatives of employers and employees.

Business activity is at a high level. This is partly a reflection of war production, but wholesale and retail sales are also large due to a high level of employment and wages. Basic wages have risen with the cost of living. The latest Commonwealth basic wage rise commencing with first pay period in February is 2/- for Sydney, making the rate £4.11.0 per week. Many awards have been raised above the cost of living adjustment. Control of non-essential production has become urgent. The Minister for War organisation of Industry has announced that industry is to be rationalised in accordance with the following principles:- (1) Restriction of varieties and elimination of non-essential products, (2) simplification of manufacture, packing, etc. (3) rationalisation of distribution (4) concentration of production of essential commodities over a smaller number of firms. Advisory committees for each industry will consist of equal numbers of employers and employees. The recently formed Industrial Council has adjourned indefinitely. The employers representatives held that it was incompatible with the advisory function of the Council, for the chairman to have a casting vote.

A.R.P. work is continuing. The N.S.W. Government is spending £91,000 on National Emergency Services. The opening of state schools has been postponed for a fortnight until shelters have been completed. Evacuation plans are under consideration.

PUBLIC FINANCE. For July-Dec. 1941 the N.S.W. Government accounts show £m.0.84 excess of expenditure over receipts. For July-Dec. 1940 the figure was £m.3.22. The improvement is due to an increase in revenue and a decrease in expenditure from the consolidated revenue fund. The excess of expenditure over receipts of this fund July-Dec. 1941 was £m.5.85 as compared with £m.8.82 for July-Dec. 1940. During the same period the surplus of earnings of business undertakings over expenditure fell from £m.5.59 July-Dec. 1940 to £m.5.01 July-Dec. 1941.

N.S.W. GOVERNMENT CONSOLIDATED REVENUE - BUSINESS UNDERTAKINGS.

Includes Unemployment Relief Fund and Social Services Fund which were merged into Consolidated Revenue Fund as from July, 1941.

	Six months ended December.				
	1937.	1938.	1939.	1940.	1941.
Revenue £m.	25.57	25.14	25.60	29.77	31.33
*Expenditure £m.	28.26	30.23	32.28	32.99	32.17

*Includes sinking fund. For 1940 the amount included is £m.1.08 - for 1941, £m.1.14.

The Premier expects to have a surplus at June 1942 and has stated that his Government will give it to the Commonwealth for expenditure on defence work in N.S.W.

The Commonwealth will launch a "Liberty" War Loan of £m.35 on 17th February. Advance subscriptions are being encouraged.

/PRIVATE.....

PART I - (Continued)

PRIVATE TRADING BANKS. Private deposits in N.S.W. continue to rise, reaching £m.142.3 for the December quarter 1941. Deposits not bearing interest rose by £m.8.7 from the 4th quarter 1940 to the 4th quarter 1941. A similar rise in deposits not bearing interest is seen in banking figures for the whole of Australia. N.S.W. deposits bearing interest were £m.65.9 for the 4th quarter in both 1940 and 1941.

N.S.W. advances fell by £m.1.8 from the 4th quarter 1940 to the 4th quarter 1941. The rise in deposits plus the fall in advances gives the high figure of £m.28.7 for excess of deposits over advances.

N.S.W. PRIVATE BUSINESS IN PRIVATE TRADING BANKS.

Quarter.	Deposits.			Advances.	Excess of Deposits over Advances.
	Bearing Interest	Not bearing interest.	Total.		
	£m.	£m.	£m.	£m.	£m.
1938 Dec.Qr.	63.9	49.4	113.3	121.4	- 8.1
1939 Dec.Qr.	65.0	55.6	120.6	122.7	- 2.1
1940 Dec.Qr.	65.9	67.7	133.6	115.4	18.2
1941 Mar.Qr.	66.5	71.5	138.0	111.2	26.8
June Qr.	65.8	69.9	135.7	113.9	21.8
Sept.Qr.	64.9	71.1	136.0	114.9	21.1
Dec.Qr.	65.9	76.4	142.3	113.6	28.7

SAVINGS BANKS. The high level of employment and wages is reflected in the continued rise in savings bank deposits which reached £m.91.7 at the end of December 1941. From March 1941 to November 1941 there was a steady increase in the number of accounts. The figure for December 1941 is the same as that for November.

The increase in small savings is larger than would appear from the rise in Savings Bank deposits alone. Since March 1940 purchases of War Savings Certificates have been another avenue for small-scale investment.

N.S.W. SAVINGS BANKS AND WAR SAVINGS CERTIFICATES.

End of Month.	Savings Bank Deposits.	Number of Savings Bank Accounts.	Increase from preceding month Savings Bank Deposits	War Savings Certificates monthly purchases less repayments.
	£'000	'000	£'000	£'000
1938 Dec.	86,645	1,325	304	-
1939 Dec.	86,581	1,327	- 103	-
1940 Dec.	84,884	1,343	- 225	184
1941 Dec.	91,658	1,389	159	x
1941				
July	88,522	1,350	772	299
Aug.	89,717	1,362	1,194	196
Sept.	90,735	1,372	1,018	173
Oct.	91,314	1,381	580	149
Nov.	91,499	1,389	186	207
Dec.	91,658	1,389	159	x

x Not available. War Savings Certificates were first issued March 1940.

STOCK EXCHANGE. The Sydney Stock Exchange index of share prices rallied somewhat during the first two weeks in January, 1942 but then fell again to below the level of the end of December 1941. Turnover remains small. The price of Commonwealth Government bonds rose slightly from the end of December 1941 to 14th January, 1942.

PART I - (Continued)

N.S.W. INVESTMENT.

	Share prices Sydney 34 active shares par = 100. (Govt. Statistician's Index).	Commonwealth Govt. ^x Securities. Taxed at 1930 C'wealth rates.		First Mortgages. ^φ	
		5 years and under ten.	10 years and over.	Rural.	Urban.
		%	%	%	%
1939 Sept.	183.0	3.98	4.04	5.2	5.5
Dec.	190.9	3.74	3.83	5.5	5.8
1940 Dec.	185.4	3.04	3.09	5.0	5.5
1941 Dec.	171.2	2.94	3.09	4.9	5.5
1941					
July	182.6	2.91	3.14	4.9	5.5
Aug.	186.4	2.91	3.16	4.9	5.5
Sept.	191.3	2.95	3.15	4.8	5.5
Oct.	185.6	3.06	3.19	4.9	5.5
Nov.	181.5	2.94	3.13	4.9	5.5
Dec.	171.2	2.94	3.09	4.9	5.5
1942					
Jan. 14		2.91	3.02	-	-

x Last Wednesday in month.

φ Weighted average rate excl. mortgages to banks and Government, for three months ended month shown.

Investment has been further controlled by amendments to the Capital Issues Regulations gazetted 28th January, 1942. The regulations forbid borrowing under mortgage of more than £1,500 in twelve months. They also provide that a company (excl. banks) shall not at any future time increase its deposits by more than £1,500. In the case of building societies, co-operative societies, and pastoral finance companies, total future deposits must not exceed by more than 5% those held on Nov. 26, 1941.

COMMERCE AND TRADE. The high level of business activity is reflected in the value of bank clearings, wholesale and retail sales. Real estate sales also remain at a fairly high level. Mortgages are low in relation to real estate sales, suggesting that property is being bought as an alternative investment to loans or shares.

N.S.W.BANK CLEARINGS, WHOLESALE AND RETAIL TRADE, REAL ESTATE.

	Bank Clearings, Sydney. ^φ			Wholesale Trade N.S.W. Sales Jan. Oct.	Retail Trade Sydney. Index of Sales Sept.- Nov. Base same period 1931.	Real Estate, N.S.W.	
	Calendar year.	Dec.	Index No. Dec. Qr. Base same period 1926-30.			Sales.	Mortgages. (Total urban and rural)
	£m.	£m.		£m.		£m.	£m.
1937	937	84	101	157.3	148	37.35	23.81
1938	942	88	103	159.0	155	37.42	26.97
1939	932	92	106	164.4	168	32.16	22.44
1940	1,075	100	115	167.6	177	31.05	16.50
1941	1,139	105	124	188.2	204	33.24	15.63

φ excl. Treasury Bill transactions.

/FACTORY.....

PART I - (Continued)

FACTORY STATISTICS. The value of factory production in N.S.W. increased by £m.18.4 or 19% from 1939-40 to 1940-41. This increase is greater than for any previous year. The amount of wages paid to employees increased by £m.10.1 or 21% and the average number of factory employees increased by 28,528 or 12%. £m.11.77 was spent on additions to and replacements of factory premises plant and machinery. The gross value of output in 1940-41 was £285.9 m. compared with £195.3 m. in 1928-29.

N.S.W. FACTORY STATISTICS.

Year ended June.	No. of Establishments in operation.	Average No. of Employees. ø	Amount of Salaries and wages paid. x	Net Value of Production. †
		'000	£m.	£m.
1929	8,465	195	38.5	73.6
1938	9,097	228	42.2	85.2
1939	9,464	232	44.6	90.5
1940	9,458	239	47.7	96.6
1941	9,919	268	57.8	115.0

ø includes working proprietors

x excludes drawings of working proprietors.

† before deducting depreciation and various overhead charges.

The table reproduced below shows that the main increase in factory activity was in the group: "metal manufactures, machines, etc." In this group net value of production increased by £m.10.7 from 1939-40 to 1940-41, compared with the total increase for all groups of £m.18.4. The increase in number employed was correspondingly great for "metal manufactures, machines etc." The increase over the year for this group was 18,948 compared with 28,528 for all groups.

N.S.W. FACTORY PRODUCTION AND EMPLOYMENT BY GROUPS.

Groups of factories producing:-	Average No. of Employees.		Net value of production.	
	1939-40.	1940-41	1939-40	1940-41
	'000	'000	£m.	£m.
Metal Manufactures, Machines, etc.	87.1	106.1	34.3	45.0
Food, Drink & Tobacco.	30.0	31.2	17.2	18.4
Chemicals, Dyes, Paints, etc.	8.8	9.8	6.9	8.2
Paper, Stationery, Printing, etc.	17.5	17.4	6.9	7.4
Heat, Light and Power. ø	3.2	3.3	5.7	6.2
Clothing.	33.0	34.0	6.6	7.5
Textiles (not clothing)	16.9	19.8	4.4	5.6
Building materials Furnishing, etc.	24.4	26.0	8.0	9.1
Other	18.5	20.3	6.6	7.7
Total	239.4	267.9	96.6	115.0

ø excl. certain works associated with other factories.

From June 1940 to 1941, the number of male employees increased by 33,430 or 20.1% and the number of female employees by 9,486 or 14.7%.

/SEX

SEX OF FACTORY EMPLOYEES.

Sex	No. employed.		Increase.	
	At June 1940.	At June 1941	No.	%
Males	166,647	200,077	33,430	20.1
Females	64,231	73,717	9,486	14.7
Total	230,878	273,794	42,916	18.6

During 1941 the trend of monthly figures of factory sales has continued upwards. There was a decrease in sales from October to November, 1941; but this is probably a short-term fluctuation not affecting the general trend, since the number employed and wages paid rose. Despite the decrease from October 1941, sales in November 1941 were still 20.9% above sales for November 1940.

N.S.W. MANUFACTURING INDUSTRY.42 LARGE FACTORIES.

Period.	Sales.	Employees.	Weekly Salaries and Wages.
	£m.	Hundreds.	Hundreds. £
1938 Average Jan.-Nov.	3.14	235	956
1939 Average Jan.-Nov.	3.23	231	962
1940 Average Jan.-Nov.	3.54	241	1,045
1941 Average Jan.-Nov.	4.31	276	1,306
1941 July	4.64	284	1,353
Aug.	4.26	283	1,380
Sept.	4.75	269	1,365
Oct.	4.99	285	1,428
Nov.	4.73	289	1,467

GAS AND ELECTRICITY. The high level of industrial activity and employment is reflected in Sydney consumption of gas and electricity. The index for December 1941 is 10.9% higher than that for December 1940.

INDEX OF CONSUMPTION OF GAS AND ELECTRICITY.SYDNEY AND SUBURBS.

Base: Average corresponding month 1929-31 = 100.

Year.	Month of December.	Calendar year.
1929	105	105
1932	99	96
1938	124	123
1939	131	131
1940	138	135
1941	153	148

TRANSPORT. The level of passenger journeys and goods carried remains high. Largely due to petrol rationing, new motor registrations are falling.

/N.S.W.....

PART I - (Continued)

N.S.W. TRANSPORT.

Railways - N.S.W.				Trams & Buses Sydney & Newcastle		Motor Vehicles N.S.W. (a)		
Passenger Journeys July-Nov.	Goods ton mileage July-Nov.	Excess of Revenue over Working Expenses July-Nov. (b)	Passenger Journeys July-Nov.	Excess of Revenue over Working Expenses (b) July-Nov.	New motor Registrations Dec.	No. of cars Registered 31st Dec.	No. of Lorries and Vans Registered 31st Dec.	
millions	millions	£'000	millions	£'000	Av. no. per week	1000	1000	
1937	77.9	750	2,626	148	274	756	199	76
1938	79.5	734	1,894	152	227	620	212	76
1939	74.1	808	2,745	153	254	471	217	77
1940	78.0	1,073	3,853	163	329	232	207	75
1941	88.4	945	3,445	196	378	101	189	76

(a) Excl. cycles and excl. defence vehicles.

(b) Working expenses excl. interest, sinking fund and exchange.

BUILDING INDUSTRY. Government restrictions on new building have been extended. In December 1940 Building Regulations issued under the National Security Act, forbade the erection of new buildings valued at over £5,000 without the consent of the Treasurer. In April, 1941 the limit was reduced to £3,000. In June 1941 the regulations were tightened and the Treasurer's approval was required for the erection of all buildings except dwellings valued at less than £3,000.

On 28th January, 1942 this limit was reduced to £2,000. At the same date a temporary ban was placed on the commencement of work on dwellings within 25 miles of Sydney or Melbourne G.P.O. The ban applies both to new buildings and to alterations or additions. It has been imposed in order to facilitate essential defence work. A.R.P. work and building by the Commonwealth War Workers' Housing Trust are exempt.

In spite of building restrictions and shortages of labour and materials, suburban building permits (mainly dwellings) remained at a fairly high level for 1941.

VALUE OF PERMITS TO ERECT NEW BUILDINGS AND ADDITIONS.METROPOLIS.

£'000,000.

Year.	Private Building.			Government Building.
	City of Sydney	Suburbs.	Total.	
1938	3.4	10.6	14.0	x
1939	1.9	10.3	12.2	x
1940	1.5	10.2	11.7	.9
1941	.5	10.3	10.8	1.4

x Not available.

RURAL INDUSTRIES GENERAL.

Seasonal conditions. Light rains have fallen on the north and central west of N.S.W. but more is badly needed. In most districts, particularly the southern Tablelands and the central west, there is shortage of water for the stock as well as lack of feed. £350,000 has been spent by the N.S.W. Government on drought relief. In no district has rainfall approached normal.

(PART I - (Continued))

RAINFALL INDEX.

Weighted average ratio of actual to normal rainfall.

Average rainfall for each month = 100.

Month.	Sheep Districts	Wheat Districts	Dairying Districts. (coastal only).
1940 Nov.	52	52	82
Dec.	123	129	167
1941 July	47	67	40
Aug.	37	41	38
Sept.	56	47	30
Oct.	75	75	53
Nov.	78	65	88
Dec.	34	38	30

WOOL. In pastoral areas agistment is almost impossible to procure and rain is badly needed to provide green feed for the autumn lambing.

More than a million bales of wool have already been appraised in N.S.W. this season. The Central Wool Committee has stated that 1,846,476 bales were exported from Australia in 1940-41 of which 630,262 bales went to the United Kingdom and the balance mainly to U.S.A. This compares with exports for 1939-40 of 2,625,054. bales. For the current season U.S.A. has been the largest purchaser.

DAIRYING. Decline in production due to the drought, is reported from practically all dairying districts. The failure of fodder crops in most districts makes a further decline in output probable. Milk rationing continues in the metropolitan area. Wholesale and retail milk prices have risen by 4d. a gallon. The price to the producer is now 1/4 a gallon. Butter and cheese are being imported into N.S.W. from Victoria and Queensland.

The main decline in output of butter is recent only. The following table shows a seasonal increase in output from September to November of 2 million lb. although total production for November is the lowest for some years.

BUTTER PRODUCTION - N.S.W. FACTORIES.

'000,000 lbs.

	Year ended 30th June.	July.	Aug.	Sept.	Oct.	Nov.
1938	115.9	4.4	4.9	6.9	10.8	12.6
1939	113.8	6.6	6.4	7.3	10.2	13.5
1940	112.0	5.0	5.0	6.5	8.0	8.2
1941	103.8	4.6	4.6	5.9	7.5	7.9

MAIZE. On the central and south coast little has been sown and crops which have germinated, have developed badly.

TOBACCO. Drought on the northern border of N.S.W. will cause failure of the tobacco crop unless good rains fall in the next few weeks. The N.S.W. crop was previously estimated at 1 million lbs. but this must now be heavily reduced. Appraisalment has been postponed from Jan. 27th, to Feb. 24th.

APPLES AND PEARS. The Apple and Pear Board has been reconstituted. The first advance to growers has been reduced from 6d. to 4d. a unit with subsequent advances related to sales, and a limit of the total cost to the government. Growers are appealing for restoration of the old scale of advances. Under drought conditions the total return to growers at 4d. a unit would be low.

World production of wheat remains high although all large wheat-producing countries are attempting to reduce output. Despite large stocks, wheat farmers generally are in a fairly good position as all countries have some system of price control designed to help the farmers. There is no free market for wheat. Both local sales and sales for export are controlled by government agencies. Canada is the only country which does not show a heavy fall in wheat export trade.

PRODUCTION AND TRADE.
SOUTHERN HEMISPHERE.

The final official estimate of area sown for wheat in Argentina in 1941-42 is 17.9 m. acres. This is an increase of 2.3% from 1940-41. Trade estimates of the 1941-42 crop have been raised slightly since rain fell in November and now vary from 200 m. to 215 m. bushels, compared with 271.2 m. bushels for 1940-41. The low yield for 1941-42 compared with 1940-41 is due to dry conditions and frost in the northern and central provinces. The November rains were not sufficient to outweigh the previous dry period. In some areas the crop was fed-off to livestock.

This season's carry-over is expected to be about 73.5 m. bushels. There is also a large carry-over of old wheat. At the end of 1940 Argentina's surplus for 1940-41 was estimated to be approximately 144 m. bushels. The prospects of sale are not good. Demand from Europe is practically nil. Spain is the only European country seeking purchases. Sales to South American countries continue. In the second half of 1941 Peru, Brazil and Uruguay made purchases totalling approximately 3.7 m. bushels. Bolivia has negotiated a trade agreement with the Argentine under which she will buy 2.9 m. bushels of wheat together with some sugar and potatoes. Payment is to be made by a transfer to the Argentine Central Bank of U.S.A. and British funds.

The Argentine Government is attempting to facilitate export of wheat and other produce, by providing shipping. Sixteen ships were bought from the Italian Government in 1941. By November, 1941 two had been chartered to grain exporters, and the government was negotiating for the purchase of Danish ships.

Estimated area sown for wheat in Australia, 1941-42 is 12.7 m. acres as compared with 12.45m. in 1940-41. For the division of the total area between states and figures for past years see B.S. 1942/1A, p. 7.

It is expected that this area will be reduced in 1942-43. The Minister for Commerce has warned growers that it may be necessary, before the sowing season begins, to order severe reductions in the area sown on large properties. He hopes that no reduction will be necessary where the area prepared is 300 acres or less. Above that level the restriction would increase in severity with the size of the property.

The Western Australian Minister for Agriculture recently suggested in evidence before the Grants Commission that "it might be better to cease wheatgrowing in Western Australia until present stocks of superphosphate were shared so as to provide for pastures and other essential activities".

It is now forecast that the N.S.W. harvest for 1941-42 will be 48.5m. bushels which is 4m. bushels higher than the previous estimate. This would raise the figure for the whole of Australia to 164 m. bushels.

The f.a.q. standard for 1942 was fixed on 23rd Jan., 1942. It is 64 lbs. to an imperial bushel as compared with 62³/₄ lbs. in 1941.

WHEAT F.A.Q. STANDARD (N. S. W.)

YEAR	DATE FIXED.	WEIGHT OF BUSHEL OF WHEAT, F.A.Q.
1935-36	24/1/36	64
1936-37	5/2/37	62
1937-38	3/2/38	64
1938-39	26/1/39	64 $\frac{1}{2}$
1939-40	26/1/40	63 $\frac{3}{8}$
1940-41	24/1/41	62 $\frac{5}{8}$
1941-42	23/1/42	64

With exports restricted by the Pacific situation storage problems are expected. The Minister for Commerce expects that this year wheat storage space will be filled, and emergency arrangements will be necessary to deal with the new harvest in December, 1942 and January, 1943. It is reported that some Western Australian stocks have become infested by weevils.

The total crop for Australia and Argentina for 1941-42 is expected to be slightly larger than for 1940-41. Argentine's wheat exports are falling. Figures of Australian exports are not published, but the Pacific situation must make export difficult. Stocks in the Southern Hemisphere can, then, be expected to increase.

WHEAT PRODUCTION - AUSTRALIAN & ARGENTINA.

	Average 1929-30 to 1933-34.	Average 1934-35 to 1938-39	1938-39	1939-40	1940-41 ⁶	1941-42 (estimate).
	m. bs.	m. bs.	m. bs.	m. bs.	m. bs.	m. bs.
N.S.W.	58.2	53.6	59.9	76.6	24.4	48.5
Vic.	42.3	34.5	18.1	45.0	13.5	44.0
S. Aus.	36.8	32.6	31.7	41.1	17.8	31.5
W. Aus.	42.6	29.0	36.8	40.9	21.0	36.9
Q'ld.	4.0	4.2	8.6	6.6	5.6	3.3
All Aus.	184.5	154.3	155.4	210.3	82.7	164.3
Argentina	228.3	230.5	336.2	119.4	271.2	200-215

⁶ Subject to revision.

In Southern Rhodesia the area under wheat increased greatly between 1930 and 1940, rising from 7,000 to nearly 20,000 acres. Production increased from 53,000 bushels to approximately 182,000 bushels. For 1941 the crop is estimated at 160,000 bushels. Dry conditions and locusts account for the fall.

PRODUCTION AND TRADE.

NORTHERN HEMISPHERE.

U.S.A. Unofficial estimates have been made of the area sown for winter wheat. They indicate a reduction of 4.6 m. acres from 1940-41 to 1941-42 (41.7 m. acres sown.) In the autumn of 1940, 46.3 m. acres were sown, but 6.0 m. acres of this area were not harvested. Drought in eastern districts, and heavy rains in the west, delayed the sowing of winter wheat and in some cases reduced the areas sown.

Estimates of U.S.A. wheat production in 1941 have risen from 946 million bushels to 962 m. bushels. A tentative forecast for 1942 is 793 million bushels.

In addition to 170 m. bushels of wheat now owned by the government, wheat under loan in U.S.A. totals about 300 m. bushels. Most of the loans mature on April 30. At October 1st, 1941, stocks were estimated at 1,156 m. bushels. If the forecast for 1942 of 793 million bushels, is realised there will be a further surplus of about 100 m. bushels to be carried forward or exported.

Canada. The official estimate of the area sown for winter wheat in the autumn of 1941 is 756,000 acres, an increase of 13% from 1940 (669,000 acres).

/The....

The total area sown in 1941 for spring and winter wheat (22.4 m. acres) was 6 m. acres less than for the five-year period 1936-1940.

When the wheat acreage reduction plan was introduced it was thought that farm income would be maintained at the 1940 level. Due to unfavourable weather conditions, farm incomes fell, and on Oct. 18th, 1941 supplementary acreage bonuses were granted under the Prairie Farm Assistance Act.

In addition farmers are being aided by freight concessions. The government will pay the entire freight cost of grain and grain products moving from western to eastern Canada, when it can be shown that they are to be used exclusively for livestock and poultry feed.

The second official estimate of Canada's 1941 wheat crop is 302.6 m. bushels. This includes 285.9 m. bushels of spring wheat and 16.7 m. bushels of winter wheat. Production in 1940 was 551.4 m. bushels of which 529.3 m. bushels was spring wheat and 22.1 m. bushels was winter wheat. It is estimated that stem sawfly reduced the 1941 yield in western Canada by 50 m. bushels. The infestation was the worst experienced.

Canada's visible supply (excluding farm stocks) stood at the record figure of 503.7 m. bushels on November 14, 1941.

Wheat exports from Canada were higher in 1941 than 1940. The value was \$m.162 in 1941 compared with \$m.119 in 1940, \$m.109 in 1939 and \$39 in 1938. It was announced that 120 m. bushels were sold to the U. Kingdom in May, 1941 and another 120 m. bushels in November. The quantities exported up to October, 1941 are shown in the following table. Note that figures quoted from customs records are higher than those from overseas clearances.

CANADA - EXPORTS OF WHEAT AND FLOUR.

("Monthly Review of Wheat Situation" Nov., 1941 -
Canadian Bureau of Statistics).

Period.	Overseas Clearances of Canadian Wheat.	U.S. Imports of Canadian wheat for consumption and milling in bond.	Customs exports of Canadian Wheat Flour.	Totals	Customs Exports of wheat & wheat Flour.
	m. bushels	m. bushels	m. bushels	m. bushels	m. bushels.
Aug. 1939-July, 1940	152.7	9.5	30.5	192.7	207.9
Aug. 1940-July, 1941	173.6	11.3	46.3	231.2	224.3
Aug.-Oct., 1940	21.5	2.0	8.5	32.0	39.0
Aug.-Oct., 1941	33.7	3.1	11.4	48.2	49.3

Considering U.S.A. and Canada together, production for 1941 is estimated to be 1,264 m. bushels which is 104 m. bushels less than 1940, but still 284 m. bushels higher than the average 1934-38. Stocks in the two countries total approximately 1,660 m. bushels. On the other hand Canada is the only country in the world maintaining a high level of wheat exports, her harvest was below average, and it is expected that both U.S.A. and Canadian production will fall under acreage reduction plans.

EUROPE. Sowing of winter crops for 1942 was hindered throughout Europe by the low temperatures early in the autumn of 1941.

Trade estimates indicate that the Ukraine yielded 25% to 30% of the total U.S.S.R. wheat crop. It is believed that a large part of the 1941 harvest was saved, but imports of wheat are expected to be needed in 1942. With war in the Pacific as well as the Atlantic, shipment will be difficult.

/PRICES.....

PRICES. There is now no free market for wheat. In all countries market prices quoted are local prices only. Export sales are arranged through government agencies. Local prices are fixed so as to safeguard the farmer rather than to reflect the supply position.

In November, 1941 the Argentine Government fixed its buying price for new wheat deliveries at 6.75 pesos per quintal, the same as last year. Trading in futures has been suspended. The government selling price is the official quotation and millers can buy only from the government through the Grain Board. In November, due to the poor crop prospects the selling price was raised above the minimum purchasing price.

U.S.A. New regulations introduced on the Chicago exchange in November, 1941 reduced the daily trading limit up or down from 10 cents to 5 cents per bushel. Chicago futures continue to rise. Quotations are well above parity price but no limit has been imposed. July options have risen $81\frac{1}{16}$ cents from the average for December, 1941 ($126\frac{7}{16}$ cents) to $134\frac{1}{2}$ cents on Jan., 24, 1942.

Canada. Winnipeg quotations have also risen. In December, 1941 the average price for July options was $79\frac{3}{16}$ cents. For January 24th, 1942 the price was $81\frac{3}{4}$ cents.

NORTH AMERICAN WHEAT FUTURES.

July options

		cents	per	bushel.
Average for Month.		Chicago		Winnipeg.
1939	Dec.	102		$89\frac{3}{8}$
1940	Dec.	$80\frac{7}{8}$		$78\frac{15}{16}$
1941	Oct.	$121\frac{13}{16}$		$78\frac{5}{8}$
	Nov.	$120\frac{9}{16}$		$78\frac{1}{2}$
	Dec.	$126\frac{7}{16}$		$79\frac{3}{16}$
1942	Jan., 24th	$134\frac{1}{2}$		$81\frac{3}{4}$

♢ May delivery.

United Kingdom. London quotations for Canadian and Argentine wheat have increased since the end of December. The price quoted for Australian wheat has been unchanged since February, 1941. These prices are those at which the Cereals Import Committee of the Ministry of Food will sell to English millers, and have no relation to return to the grower in the countries concerned.

WHEAT PRICES - LONDON BALTIC EXCHANGE.

per quarter, f.o.b. sterling.

End of month.		No. 1 Manitoba.	Rosafe (Argentine)	South Australian.
		s. d.	s. d.	s. d.
1937	June	51 $7\frac{1}{2}$	not quoted.	45 0
1939	Dec.	30 $7\frac{1}{2}$	not quoted.	25 9
1940	Dec.	33 $1\frac{1}{2}$	20 $1\frac{1}{2}$	28 0
1941	Oct	31 0	21 6	27 6
	Nov.	31 9	22 0	27 6
	Dec.	33 $10\frac{1}{2}$	22 $4\frac{1}{2}$	27 6
1942	Jan. 26th	35 $7\frac{1}{2}$	22 $7\frac{1}{2}$	27 6

Australian trade conditions have been unchanged for some months. There is a keen demand for wheat from the produce trade but business in wheat for export flour is very small. Prices of wheat for export flour are not published. The price of wheat for local flour has stood at $3/11\frac{1}{4}$ per bushel, bulk, ex trucks, Sydney, since August, 1940.